

# Association of State Democratic Chairs



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2000 AUG -3 P 1:44

Joan Menard  
President

August 2, 2000

Mr. Scott Walker  
Reports Analyst  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

ID#: C00259481

**RE: Letter to Ann Fishman, Treasurer, Association of State Democratic Chairs-Federal Operating Account ("ASDC") regarding 2000 April Quarterly Report, 1999 Mid-Year and Year-End Reports**

Dear Mr. Walker:

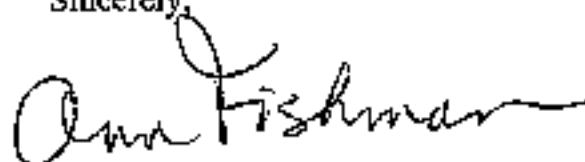
The ASDC is in receipt of your letter of July 19, 2000, in which you request clarification of the payment of operating expenses by the ASDC.

The ASDC is a political party committee that is an association of the fifty state party committees, as well as the party committees of several American territories. The committee's funds consist of transfers from affiliated party committees, as well as contributions that are subject to the prohibitions and limitations of the Federal Election Campaign Act. Also, the ASDC maintains a non-federal account pursuant to 11 C.F.R. § 102.5.

The ASDC currently maintains only three full-time employees and utilizes office space currently occupied by the Democratic National Committee, an affiliated national party committee. Accordingly, the ASDC's operating expenses are of a limited nature. Needless to say, all operating expenses of the ASDC are paid for in accordance with 11 C.F.R. § 106.5. Furthermore, ASDC has chosen to utilize the federal/non-federal ratio mandated for national party committees, which for 2000 is 65% federal/35% non-federal. Furthermore, it is our understanding that any expenses that may be incurred by the DNC, including office rent and supplies, on behalf of ASDC are also paid for on the same federal/non-federal ratio.

Please let me know if you have any further questions.

Sincerely,

A handwritten signature in cursive script that reads "Ann Fishman". The signature is fluid and elegant, with a long horizontal flourish at the end.

Ann Fishman  
Treasurer



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Ann Fishman, Treasurer  
Association of State Democratic Chairs  
Federal Operating Account  
430 South Capitol Street SE  
Washington, DC 20003

JUL 19 2000

Identification Number: C00259481

Reference: April Quarterly (1/1/00-3/31/00), Mid-Year (1/1/99-6/30/99) and Year  
End (7/1/99-12/31/99) Reports

Dear Ms. Fishman:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses between the accounts in proportion to the BALLOT COMPOSITION METHOD derived from FEC Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each two-year election cycle. 11 CFR §106.5(d)

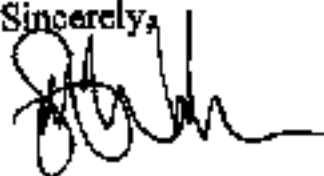
Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be disclosed during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding

administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Walker", with a stylized, cursive script.

Scott Walker  
Reports Analyst  
Report Analysis Division

## Federal Election Commission

**ENVELOPE REPLACEMENT PAGE  
FOR INCOMING DOCUMENTS**

The Commission has added this page to the end of this filing to indicate how it was received.

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(6/2000)